



ESMT
EUROPEAN SCHOOL OF MANAGEMENT AND TECHNOLOGY

UPDATE



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A REPORT ON RESEARCH PUBLICATIONS,
PROGRAM & FACULTY DEVELOPMENTS, AND EVENTS AT ESMT

*The challenges of attracting top
academic talent to a young
business school*

*Interview with TÜSIAD board member
and Allianz Turkey chairwoman
Cansen Başaran Symes*

*European banks gamble
for redemption*

ESMT CHAIRS

ESTABLISHING A WORLD-CLASS RESEARCH REPUTATION

Chairs, challenges, and opportunities



While shaping ESMT into a world-class research institution, we have focused intensely on attracting top international academic talent. One way in which we have been able to do this has been through the creation of prestigious chairs. Since 2008, we have established a number of chairs in collaboration with individuals, organizations, and corporations, including Deutsche Lufthansa, Deutsche Telekom, KPMG, EY, Deutsche Post DHL, Karl-Heinz Kipp, TÜSIAD/TCCI (The Turkish Industry and Business Association/Turkey: Culture of Change Initiative), and Ferrero. The establishment of these chairs is a resounding endorsement of the quality of the faculty we have brought to ESMT as well as a reflection of the esteem in which their research is held.

As Catalina Stefanescu-Cuntze, our dean of faculty, explains in more detail in her interview, chairs play a central role in the recruitment of world-class faculty members. For ESMT, a young school with a growing faculty, it is particularly important to recruit senior professors with high visibility. For this reason, we have utilized these chairs to fulfill a number of functions: fundraising, highlighting the school's core research areas, creating positions that appeal to prospective professors, and most importantly, facilitating independent research in these areas.

The recruitment strategy at ESMT is strongly affected by the research concept within the core competency areas: European competitiveness, management of technology, and leadership and social responsibility. That is why ESMT has focused on acquiring chairs that further strengthen its research in these main areas, such as the Deutsche Telekom Chair in Leadership and HR Development, the Lufthansa Chair in Competition and

Regulation, and the EY Chair in Governance and Compliance, to name but a few.

One of the highlights of 2014 was the announcement of two new chairs: the Pietro Ferrero Chair in Sustainability, whose holder is CB Bhattacharya, and the TÜSIAD/TCCI Chair in European Economic Integration, which was awarded to Stefan Wagner. The Pietro Ferrero Chair in Sustainability emphasizes the importance of sustainability and social responsibility at ESMT. The TÜSIAD/TCCI Chair was established to mark the occasion of the German-Turkish Year of Research, Education, and Innovation 2014. This announcement followed close on the heels of another exciting chair announced in November 2014: the KPMG Chair in Innovation, held by Linus Dahlander. These chairs are supporting the production of independent and practice-oriented research in the areas of innovation, management of technology, sustainability, and European competitiveness.

The relationship between ESMT, the chair, and the partner organization is valuable and brings many opportunities for collaboration and the exchange of knowledge beyond facilitating independent research. In this issue, Professor Matthew Bothner discusses his relationship with Deutsche Telekom and the opportunities he has had to share his academic insights with senior executives at the company. Looking to the future, we are excited about strengthening our relationship with new partners such as TÜSIAD and cultivating this cooperation further.

Jörg Rocholl, President and EY Chair in Governance and Compliance, ESMT

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THE CHALLENGES OF ATTRACTING TOP ACADEMIC TALENT TO A YOUNG BUSINESS SCHOOL

An interview with Catalina Stefanescu-Cuntze

Catalina Stefanescu-Cuntze joined ESMT in November 2009 and is an associate professor of management science, the Deutsche Post DHL Chair, and dean of faculty. Catalina's research focuses on the design, analysis, and application of statistical models and methods for managerial decision making. As dean of faculty she has a strategic role in academic planning, the recruiting of academic faculty and staff, and the development and counselling of existing faculty. She is also responsible for fostering a research culture within the school and strengthening the links between teaching and research.

What attracted you to ESMT?

I was attracted for a number of reasons. Firstly, its research focus appealed to me, but also I found its international outlook and entrepreneurial spirit to be real draw factors. Most research-oriented business schools are relatively large and long-established institutions, and in these kinds of institutions change rarely happens. Or it's incredibly slow. It was exciting to join a school in the early stages of building a world-class academic institution where research is firmly rooted in its DNA.

How important are chairs in terms of attracting and retaining top academic talent?

Competition is fierce in the international business school market which means that chairs are crucial for attracting and holding on to talent. All of our main competitors are offering chairs to their key academics as a way of incentivizing research productivity. For a small institution like ESMT, it is essential to offer chairs to top academics if you want to establish a research reputation. It helps us to compete on the international market and overcome some of the challenges that a small institution faces.

What are the main challenges in recruiting leading academics to a relatively young business school like ESMT?

Like I mentioned earlier, one of the main challenges is the lack of a long-established research reputation. Then of course there is the small scale of both the faculty and the student body. This implies much reduced efficiency in teaching, as faculty does not have the option of teaching the same course to multiple student streams. It also means that without the critical mass of faculty, postdocs, research assistants, and PhD students, it is more difficult to establish meaningful research interactions.

What are the main benefits for both parties involved in a chair?

The main benefits are the sharing of knowledge and mutual access to information, for both the individual and the company that sponsors the chair. The company benefits by having direct access to the expertise of the faculty, who are leading academics in their fields, and of course by having its brand associated with world-class research. For example, much of our research is published in the top academic and



practitioner journals. That is fantastic marketing for a company. And of course the faculty benefits by gaining insights into practical knowledge and problems, which can often act as a source of inspiration for research. But mostly, faculty members benefit by the additional research resources that a chair brings. This can mean increased research budgets or, in some cases, allowing the faculty member to reduce their teaching hours to focus on their research.

Of all the faculty developments at ESMT in recent years, what are you most proud of?

I am really proud of the renewed accreditation for ten years and also winning the right to grant PhDs, which was given to us by the Wissenschaftsrat in 2013. Our faculty was a driving factor in this process, as the PhD granting right relies heavily on the school's research output and its international recognition. For me, this was a fantastic endorsement and an important marker of how far we've come in just a few short years.

Women continue to be underrepresented in senior corporate positions, particularly on boards. As a woman in a leadership position teaching young future business leaders, what can business schools do to change this?

Business schools are educating the managers of tomorrow, and I think in this way they can raise awareness of those factors that have an impact on gender composition in top management. What I mean by these factors are recruitment packages that reflect flexibility needs, attentiveness to cultural and gender specific differences in negotiation styles, inclusion of women in the recruitment process, as well as awareness of subtle biases in the assessment processes. We teach this in our programs, and through the public events that we organize, we provide a forum for future leaders to engage further with current leaders on this topic.

DEUTSCHE TELEKOM CHAIR IN LEADERSHIP AND HR

A model relationship for success

Matthew S. Bothner is a professor of strategy and the Deutsche Telekom Chair in Leadership and HR Development at ESMT. Matthew Bothner joined ESMT in 2011 as a professor and the first holder of the Deutsche Telekom Chair. His current research addresses the measurement and consequences of social status in several empirical settings, including venture capital, professional sports, and higher education. His research has been published in leading peer-reviewed journals, such as Administrative Science Quarterly, American Journal of Sociology, and Management Science.

For many higher education institutions, chairs such as the Deutsche Telekom Chair in Leadership and HR Development play a key role in recruiting and retaining top academic talent. Bothner says that the Deutsche Telekom Chair was an important factor, among a number of other factors, in attracting him to ESMT in Berlin. “For me it’s a great honor to be supported by a top company like Deutsche Telekom. It offers an exciting opportunity to share insights from my work and get industry leaders’ reactions to my ideas.”

When chairs are established, the academic and the sponsor company sign a contract that clearly defines their relationship, and reaffirms the independence of the academic. While each relationship is different, Bothner saw the potential that a strong working relationship with Deutsche Telekom could bring to his research and teaching. He explains “the purpose of a chair is to free you up to concentrate on your research, but it’s also very important to build a relationship where you can both learn from each other.”

Bothner describes his relationship as being very warm and cooperative. In addition to teaching in a number of executive education programs for Deutsche Telekom, Bothner has had many one-on-one conversations with key leaders in HR, T-Systems (a division of Telekom), and T-Labs (the central research and development institute of Deutsche Telekom). He has provided advice in relation to Deutsche Telekom’s “Share Ground” initiative, and given keynotes at executive programs in Berlin, Bonn, and Budapest. In return, he gets to share his research insights with a roomful of experienced Deutsche Telekom senior managers and hear their reactions to his work.

His research focuses on social networks and on how network-driven status affects performance. One aspect of his research that often draws a reaction is the contention that, at very high levels of status, status ceases to be an advantage: complacency and distraction set in, and status becomes a liability. Bothner found support for this idea, adjusting for “mean-reversion,” in professional auto racing and in golf: super-elite race-car drivers go more slowly, and their counterparts in golf perform less well on the green. In an article on this subject for *Forbes* magazine, he wrote about the risks associated with achieving extremely high status, noting that status “can play a large role in building a person up, whether in sports or in the corporate world, but it can play an equally important role in bringing them to their knees.”

The Deutsche Telekom Chair is an example of how industry and academia can work together and exchange knowledge from which both parties can learn and feed into their work. Bothner says that it has given him more practical insights into how social science theories play out in managers’ and executives’ daily experiences: “I learn about leadership and what it means to be a better leader. Just from watching key leaders at Deutsche Telekom and seeing their patience and drive – this has really helped me to improve my teaching tools and, I believe, to lead more effectively in my work.”

Before joining ESMT, Matthew Bothner was a visiting associate professor of sociology at Cornell University in the United States, as well as a fellow at the Center for the Study of Economy and Society at Cornell. Read more about Matthew S. Bothner’s research on status at www.esmt.org/matthew-s-bothner.





INTERVIEW

with TÜSIAD Board Member and Allianz Turkey Chairwoman
Cansen Başaran Symes

Could you tell us what was the main objective to set up the TÜSIAD/TCCI European Economic Integration Chair? Could you please elaborate on its mission and yearly program?

In order to build on a mutual commitment to fostering Turkish-European ties, exchanging knowledge, and forging joint paths for innovation and sustainable development, TÜSIAD together with Turkey: A Culture of Change Initiative (TCCI) decided to establish a chair within ESMT in the area of European Economic Integration.

The chair focuses on research and teaching in areas related to European economic integration and competitiveness, the German-Turkish economic partnership, and the strategic role of entrepreneurship and managing technology, among others.

The TCCI initiative was founded in Berlin with a view to further develop and encourage German-Turkish dialogue on economic, political, and social issues in an innovative manner. Through this initiative, we endeavor to fill an important gap in German

and Turkish public opinion and to overcome recent setbacks by establishing a sustainable network of competent partners on both sides. TCCI's activity fields are the enhancement of economic relations between Germany and Turkey, the dissemination of knowledge about Turkish socio-economic characteristics, and the nurturing of the political and social ties between Turkey and Germany.

How important is it for TÜSIAD to invest in research, and build partnerships with education institutes?

As TÜSIAD, we believe that the main driver of the emerging knowledge economy is building a qualified workforce. Therefore, we support policies and projects that aim at the establishment of an economy based on innovation, knowledge and R&D activities. In this context, TÜSIAD initiated a series of forums to conduct research projects at an international standard and collaborate with related research centers in foreign countries with the aim of supporting TÜSIAD's research and opinion-forming process with academics and scientists,

building more effective cooperation with universities, and enabling young academics to gain experience in their applied fields. In this framework, the "Foreign Policy Forum" on international relations was set up in conjunction with Boğaziçi University, the "Competitiveness Forum" was established with Sabancı University to cover the concept of competition and the "Economic Research Forum" devoted to micro and macroeconomic research was established with Koç University.

The chair was established with TCCI to mark the occasion of the German-Turkish Year of Research, Education, and Innovation. The holder of the chair, Stefan Wagner, focuses on innovation in his research and some of the barriers to innovation. What do you see as the main challenges for firms seeking to innovate?

Globalization and increased international competition require innovative firms to focus on a long-term competitive advantage. Innovation challenges are dependent on the nature of operations of firms but broadly, there are common issues which are faced by a majority of organizations. To begin with, access to finance is critical to unlock the innovation potential. Secondly, firms need to possess knowledge-based assets and these assets have to be adjusted for changing global trends, policies, and environmental liabilities. Finally, a framework of university-led innovation is fundamental for the firms seeking to innovate simply because direct interaction with business is essential for the knowledge transfer. In order to build a cooperative, multi-dimensional, and long-term industry-university partnership, a well-educated work force, mainly in STEM (Science, Technology, Engineering and Math) fields, is crucial.

Can you tell us about the work of TÜSIAD in Germany and your values as an organization?

TÜSIAD Berlin Office aims at developing and encouraging German-Turkish dialogue on economic, political, social, and cultural issues and strives to accurately inform German public opinion regarding Turkey's EU accession process, to communicate the opinions of the Turkish business community to those in positions of political responsibility, and to raise Turkey's profile vis à vis the policy makers, civil society actors, media representatives, and academic community.

Within this framework the Office nurtures close ties with the Federation of German Industries (BDI), TÜSIAD's counterpart body in Germany, and further German institutions as well as leading civil society organizations, think tanks, research institutes, academic establishments, media outlets in Germany, and regularly engages in institutional exchanges of views.

What are the biggest challenges for businesses in Turkey at present?

Ambiguities in the legal system are among the key challenges for doing business in Turkey. These ambiguities adversely affect the efficiency of the judicial system in terms of resolving disputes, including the duration to resolve the dispute, the number of procedures and costs associated with them.

The complexity of the Turkish tax system has been one of the key challenges for businesses in Turkey. Simplifying the tax system will increase the level of voluntary compliance with tax laws and combat against the informal economy. Furthermore, issues with tax audits still persist despite the organizational restructuring in the tax administration including the establishment of the Turkish Tax Inspection Board. Also frequent tax amnesties in Turkey discourage voluntary tax compliance and lead to the informal economy.

Moreover, the informal economy in Turkey impedes the development of more sophisticated and productive larger corporations. Tax system and high redundancy payments are the major factors that encourage informality. The informal economy creates huge negative externalities for the formal businesses and it's a source of unfair competition to registered, formal firms. Also, an informal economy erodes the tax base and increases the tax burden of formal businesses.

On another note, it is also necessary to highlight the energy sector when talking about Turkish economic growth and business challenges. As a crucial sector fueling the economy as a whole, the energy sector has been the stage for both challenges and reforms. While developments in the power sector are remarkable, process in the gas market needs to follow suit in order to achieve full liberalization.

Last but not the least, we have conducted a study in prioritizing the bottlenecks in Turkey's economic growth. The findings showed that the level and quality of education remains insufficient to advance the right technical competencies, experience, and soft skills. Therefore there is certainly a need for reform there. Also, we've observed that the ubiquity level of Turkish products is very high, leaving only the price of the product as the competitive advantage. Here, we attribute great importance to the IPR framework and commercialization of IPR. Unfortunately, the legislation is neither adequate for an innovative environment to flourish, nor for the necessary awareness in the business community.





EY CHAIR IN GOVERNANCE AND COMPLIANCE

A chair built to last

Prof. Jörg Rocholl, PhD, is president of ESMT European School of Management and Technology in Berlin and member of the economic advisory board of the German Federal Ministry of Finance. He is also a research professor at the Ifo Institute in Munich and a Duisenberg fellow of the European Central Bank. After completing his PhD at Columbia University in New York, he was named an assistant professor at the University of North Carolina at Chapel Hill. Professor Rocholl has researched and taught at ESMT since 2007 and was appointed president of ESMT in 2011. He has held the EY Chair in Governance and Compliance since 2010.

The EY Chair in Governance and Compliance is a great fit for Jörg Rocholl's research and teaching, which focuses on topics such as politically connected boards of directors, corporate governance in banking, and risk-taking incentives among banks. Over the past four years, the chair has supported the production of valuable independent research on some of the governance challenges and weaknesses in the handling of the financial crisis. Discussions with stakeholders have also been the impetus for unique curriculum developments at ESMT, such as the new track "Managing Business Integrity" in the Executive MBA program (EMBA), and the creation of an important platform for dialogue on the topic of successful corporate governance.

Academic insights on governance and compliance

One of Jörg Rocholl's research papers, entitled "Do politically connected boards affect firm value?," written with Eitan Goldman and Jongil So, analyzes whether political connections on the boards of directors of publicly traded companies in the United States affect a firm's value. The research finds that companies with boards that are politically connected to the winning party in a presidential election experience positive returns, whereas those connected to the losing party experience negative returns. It also finds that companies experience positive and statistically significant stock returns following the appointment of a board member connected to the party in power. Their findings show that political connections have a pervasive impact on the value of public companies in the United States. Rocholl says, "These findings are particularly pertinent when one looks at the increased interaction between the political system and the corporate world following the recent financial and economic crisis. This growing government involvement is incentivizing companies to become politically connected."

In another paper, called "Corporate governance in banking," Rocholl looks at the role of corporate governance during the financial crisis and focuses specifically on the banking sector and the main criticisms leveled at banks regarding the lack of regulation. His findings show that the evidence for these criticisms is far from clear-cut and that each situation is very much dependent on context and time.

Strengthening corporate governance in the curriculum

The production of research in the area of corporate governance and compliance is just one aspect of the EY Chair, which has also led to a number of other important collaborations between ESMT and EY. Recognizing the need for more teaching in the areas of ethics, compliance, and governance, in September 2014, a new track called "Managing Business

Integrity" began within the EMBA program. Several EMBA participants have chosen to take this module, which is being taught by EY senior partners, along with ESMT faculty who are experts on white-collar crime, compliance, corporate governance, and business integrity.

The new EMBA track will prepare participating managers to effectively protect corporate assets from damage caused by misconduct, and to use strategic compliance management, targeted control mechanisms, and incentive systems that are aligned with business ethics and integrity. With support from EY's Department of Fraud Investigation & Dispute Services, they will also look at investigations into fraud and corruption using forensic and criminological techniques. The aim is to transfer the expertise related to all aspects of business integrity management – including corporate governance, compliance, and forensic fraud investigation – into management education.

A platform for dialogue between academia and industry

The establishment of the Governance Conference between ESMT and EY has provided a much-needed and valuable platform for discussions among leading academics and CEOs on successful corporate governance. The event has taken place three years in a row now. The most recent event, on September 24, 2014, looked at governance issues among the German "Mittelstand" and family enterprises and featured a number of talks from leading Mittelstand CEOs. This conference provides an opportunity for regular interaction on different aspects of corporate governance, and helps to bring a mix of business and academic insights to the table.



For more information on research featured in this article, please visit www.esmt.org/jorg-rocholl.

EUROPEAN BANKS GAMBLE FOR REDEMPTION

Sascha Steffen is an associate professor of finance at ESMT and the Karl-Heinz Kipp Chair in Research since January 2012.



This article presents an overview of Sascha Steffen's research, which includes research on the carry trade behavior of European banks, and also the effect of the removal of government guarantees on risk taking by banks. While his research provides an important contribution to explaining and understanding European banks' risky investment decisions during the global 2007–2009 financial crisis and the European sovereign debt crisis since 2010, it also raises a number of questions for policy makers and financial institutions about whether their response to the financial crisis accelerated the very behavior they set out to curb, and as a result made the European financial crisis deeper and longer lasting.

The "greatest" carry trade ever?

Steffen's research with Viral Acharya from June 2014 into carry trade behavior – a risky practice that was common in the

lead up to the financial crisis – has attracted the attention of media and policy makers. Carry trade is a strategy in which an investor borrows money at a low interest rate in order to invest in an asset that is likely to provide a higher return. Their research reveals that the response of European banks to the financial crisis of 2007–2009 can be viewed as a form of carry trade behavior; a behavior that was widespread.

Analyzing the information supplied by banks to the European Banking Authority for stress tests, they found that banks with access to short-term unsecured funding in wholesale markets appear to have used this funding to undertake long peripheral sovereign bond positions. Banks effectively gambled for redemption by placing a "bet" on the long-term recovery of peripheral countries like Spain and Greece, and an eventual economic convergence between the periphery and the core. In doing so they created a "doom loop" between European banks and governments.

Steffen and Acharya find that the failure to clean up the balance sheets of banks following the financial crisis of 2007–2009 acted as an incentive for excessive risk taking, that is, the buying up of peripheral sovereign debt. European banking regulations, such as Basel II, which requires banks to meet a capital ratio based on regulatory equity and risk-weighted assets also incentivized banks to shift into assets like sovereign debt with lowest-risk weights.

The effect of this – the strengthening of the nexus between sovereigns and the financial sectors – has turned the sovereign debt crises of the southern periphery countries into a pan-European problem. The authors highlight the strong link between asset-side risk and the short-term funding problem of banks, and the need for further investigation into how bank solvency and liquidity risk interact. Their research makes clear that if banks continue to rely on short-term funding to fund long-term risky assets, and if sovereign bonds continue to count as “liquid,” then we will continue to see funding problems and a painfully slow recovery of European banks.

Removal of government guarantees and increased risk taking

A common policy response to the financial crisis was the issuing of government bank guarantees. This was done in order to stem public panic and to help inject liquidity and capital into the financial system. While it is clear that such guarantees helped boost credit ratings and prevented a meltdown of the banking system, what is less clear are the consequences when these guarantees are removed.

As central banks and governments consider the removal of some of these guarantees, Sascha Steffen and Jörg Rocholl have produced timely and relevant research analyzing the effect of the removal of such guarantees on the risk-taking incentives of banks. Drawing on the lessons of the lifting of the guarantee to German Landesbanken in the early 2000s, they analyzed data before and after the lifting of the guarantee to see if there was a noticeable change in lending practices.

They found that before the announcement of the lifting of the guarantee in July 2001, there was little difference between Landesbanken and private banks in relation to lending practices (whom they lent to and at what rate). However, after July 2001 they found that the removal of the guarantee resulted in a substantial increase in the risk-taking of the Landesbanken. The riskiness of borrowers increased significantly. This change was particularly pronounced for Landesbanken that faced the largest decrease in franchise value.

The key lesson for policy makers today is that the risk-taking behavior of banks is closely linked to the way in which guarantees are withdrawn. Current governments considering such a move should look to the experiences of the Landesbanken and ensure a short transition period for ending guarantees.

Summary

Steffen’s research presents a bleak picture of the reaction of the banks to the financial crisis. Their behavior resembles that of a chronic gambler prepared to do whatever it takes. His research provides a vital insight into explaining such risk-taking behavior. Governments and financial institutions need to find policy solutions that address incentives for banks to engage in risky practices, practices that risk prolonging and exacerbating the financial crisis. Current flaws in European banking regulations and the failure to effectively recapitalize banks must be urgently dealt with.

Publications featured in this article:

“Government guarantees and bank risk taking incentives,” with M. Fischer, C. Hainz, and J. Rocholl, 2014, working paper.

“The ‘greatest’ carry trade ever? Understanding Eurozone bank risks,” with Viral V. Acharya (NBER Working Paper 19039), 2014, *Journal of Financial Economics*, forthcoming.

To read more about Sascha Steffen’s research visit www.esmt.org or www.sascha-steffen.de.

PIETRO FERRERO CHAIR IN SUSTAINABILITY FOUNDED AT ESMT

The family-owned company Ferrero continues to increase its focus on sustainability by founding the Pietro Ferrero Chair in Sustainability at ESMT. Prof. CB Bhattacharya, member of the ESMT faculty since 2009, has been named holder of the new chair. CB Bhattacharya has published internationally recognized research on sustainability, responsible business practices, and stakeholder value in more than 80 renowned academic journals and two books. His research has been cited by other academics more than 10,000 times according to



CB Bhattacharya at the latest Sustainable Business Roundtable in Berlin

Google Scholar. With its emphasis on sustainability, the chair supports the ESMT research mission, which is based upon three central pillars: leadership and social responsibility, European competitiveness, and the management of technology. Research projects and case studies will concentrate on sustainability and responsible leadership.

CHAIRS AT ESMT

Pietro Ferrero Chair in Sustainability

CB Bhattacharya, Professor

CB Bhattacharya has just been named the holder of this new chair. In his research, he focuses on business strategy innovation aimed at increasing both business and social value. He is the founder of the ESMT Sustainable Business Roundtable, a forum to discuss opportunities and challenges to mainstreaming sustainability practices within organizations.

Deutsche Post DHL Chair

Catalina Stefanescu-Cuntze, Associate Professor and Dean of Faculty

Catalina Stefanescu-Cuntze's research focuses on the design, analysis, and application of statistical models and methods for managerial decision making.

Deutsche Telekom Chair in Leadership and HR Development

Matthew S. Bothner, Professor of Strategy

Matthew Bothner's current research addresses the measurement and consequences of social status in several empirical settings, including venture capital, professional sports, and higher education.

EY Chair in Governance and Compliance

Jörg Rocholl, Professor and President of ESMT

Jörg Rocholl's research interests are in the areas of corporate finance, corporate governance, and financial intermediation. He is a member of the economic advisory board of the German Federal Ministry of Finance, a research professor at the Ifo Institute in Munich, and Duisenberg Fellow of the European Central Bank (ECB).

Karl-Heinz Kipp Chair in Research

Sascha Steffen, Associate Professor

Sascha Steffen's research is in the area of empirical financial intermediation and banking. Recent work has examined issues including borrowing costs of private versus public firms and supply side induced contraction in consumer lending in the recent financial crisis. He is a fellow at the Center of Financial Studies (CFS) at Goethe Universität and a senior research fellow at Leeds Business School.

KPMG Chair in Innovation

Linus Dahlander, Associate Professor

Linus Dahlander currently investigates how new ideas and innovations are developed in networks and communities.

Lufthansa Chair in Competition and Regulation

Paul Heidhues, Professor and Director of PhD Studies

Paul Heidhues has researched numerous topics in Industrial Organization and Competition Policy such as input-market bargaining power, merger control, and collusion. Much of his current focus is on the functioning of markets when consumers are partly driven by psychological factors. He is a member of the Arbeitskreis Kartellrecht of the German Antitrust Authority (Bundeskartellamt), a research fellow of the CEPR Programme in Industrial Organization and a research fellow of the CESifo Network in Behavioral Economics, among others.

TÜSIAD/TCCI Chair in European Economic Integration

Stefan Wagner, Associate Professor

Stefan Wagner researches at the intersection of firm strategy, technological innovation, industrial organization and law. Currently, one focus is on intellectual property rights, in particular patent systems, and firms' long term strategy regarding their innovative activities.

* NEWS & EVENTS *

ESMT NEWS

ESMT full-time MBA program ranked 3rd globally

ESMT has been ranked in the Bloomberg Businessweek ranking of international full-time MBA programs for the first time and has entered the ranking as the third-best program outside of the United States.

ESMT welcomes first MIM class

The arrival of the first intake of the Master's in Management program on September 9, 2014, marked a proud moment in the development of the School. The first class of the two-year program, aimed at young bachelor graduates with strong quantitative skills, is made up of 34 students from 19 different countries.



ESMT launches online knowledge platforms

ESMT recently launched two new microsites ESMT Knowledge and BTM Review, web platforms for practice-oriented insights from ESMT faculty members. To find out more please visit knowledge.esmt.org and knowledge.esmt.org/btm-review.

ESMT RECENT EVENTS

Jubiläumsveranstaltung 50 Jahre Staatsratsgebäude

On October 6, 2014, ESMT and the German Historical Museum hosted a special event at ESMT to celebrate 50 years since the completion of the former GDR State Council building, the official seat of the GDR government until 1990. For a short period following German reunification, it also was the temporary office of the German chancellor. Special guests at the event included Dr. Gerhard Schröder, former Chancellor of the Federal Republic of Germany, and Dr. Henning Schulte-Noelle, former Chairman of the Board of Directors and Chairman of the Supervisory Board, Allianz SE, and one of the founding leaders of ESMT.



Culture of Change Initiative (TCCI) & German Marshall Fund (GMF) gather at ESMT

TCCI and GMF came together at ESMT this October to host a special panel on the topic "After two decades: Deepening Turkey's customs union with TTIP perspectives." Both TCCI and GMF are in favor of strong transatlantic political and economic ties.

ESMT Alumni Network Meeting 2014

On October 11, 2014, the ESMT Alumni Network met for the 11th time. This year's program featured a number of academic sessions with a focus on "Career, leadership, and new technology." Speakers included Ruth Heuss from McKinsey & Company and cybersecurity expert Sandro Gaycken.

Prospects for investments and growth under the new government in India

ESMT and the Federation of Indian Chambers of Commerce and Industry (FICCI) organized a joint panel on November 11, offering a great opportunity for business leaders from India and Germany to explore ways of collaborating in order to realize the tremendous business potential between the two nations. Sidharth Birla, President of FICCI, led the panel discussion with CEOs from various Indian and German institutions.

ESMT Open Lecture on the EU banking union

Andreas Dombret, member of the executive board of the Deutsche Bundesbank, gave an insightful address on the European banking union, titled "Stress Relief: Europe's banks, the comprehensive assessment, and the way forward" on November 17.

ESMT UPCOMING EVENTS

ESMT/KDVI Coaching Colloquium

On December 12–13, the Center for Leadership Development Research at ESMT and the Kets de Vries Institute will run the sixth Coaching Colloquium on the topic "Transitions: Getting through 'neither here nor there' moments." The event is an advanced professional development and research event for the top global leadership coaches, academics, and HR professionals.

Panel Discussion "The Internet is not the answer"

On January 16, 2015, at 5 p.m. Andrew Keen, author of "The Internet is not the Answer" will discuss the changes to society caused by the Internet with Norbert Riedel, German Federal Foreign Office Special Representative for Cyber Foreign Policy, and Sandro Gaycken, cybersecurity expert at ESMT. The panel discussion will be moderated by Christoph von Marschall, Chief Diplomatic Correspondent, Der Tagesspiegel. www.esmt.org/events.

Save the date - Annual Forum 2015

"Entrepreneurship – Moving beyond Beacons" on July 2, 2015 www.annualforum.esmt.org.



ESMT
European School of Management and Technology GmbH
Schlossplatz 1
10178 Berlin
Germany

Phone: +49 30 212 31 0

info@esmt.org
www.esmt.org